

JOHN THOMAS WATERHOUSE

THE WATUMULL FOUNDATION ORAL HISTORY PROJECT

John Thomas Waterhouse

(1906 -)

John Waterhouse, a prominent kamaaina, is a retired corporation executive and an active rancher. He owns and operates Kipukai Ranch on Kauai on land he acquired in 1948 from the Rice family.

As a Bishop Museum trustee, Mr. Waterhouse made a significant contribution to the people of Hawaii by suggesting that an archaeological survey be made of all Bishop Estate lands in order to preserve whatever might be of value on them. As a result, archaeological treasures now are preserved rather than destroyed in the process of land development.

Mr. Waterhouse's ancestors also made important contributions to Hawaii. His maternal grandfather, Samuel T. Alexander, and Henry P. Baldwin established Alexander & Baldwin, Inc. in 1874 and subsequently constructed the Hamakua Ditch on Maui to irrigate their plantation at Haiku. His paternal grandfather started J. T. Waterhouse and Company, a general merchandise store, shortly after coming to Hawaii from Australia and introduced several unique commercial promotions to increase sales.

Mr. Waterhouse discusses his family's history and business progress in Hawaii and relates anecdotes concerning them and other prominent residents of their era. He also comments on business in general, the Bishop Estate in particular, and clarifies certain provisions of Bernice Pauahi Bishop's Will.

Katherine B. Allen, Interviewer

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INTERVIEW WITH JOHN THOMAS WATERHOUSE

At his office in Room 403 of the Alexander & Baldwin Building,
1015 Bishop Street, Honolulu, 96813

September 15, 1971

W: John T. Waterhouse

A: Kathy Allen, Interviewer

W: This is John T. Waterhouse, otherwise known as Jack Waterhouse. I was born in Honolulu. My father was John Waterhouse and my mother was Martha Alexander Waterhouse. My birthdate was February 26, 1906.

My father's father was John Thomas Waterhouse, the son of John Thomas Waterhouse, who arrived in the Islands in 1850, I believe. My mother's father was Samuel Thomas Alexander, the son of William Patterson Alexander and Mary Ann McKinney. My mother's mother was Martha Eliza Cooke, the oldest daughter of Amos Starr and Juliette Montague Cooke, who came here in 1837 as missionaries.

(At this point, Mr. Waterhouse decided he would rather converse than speak directly into the microphone as he had been doing)

My mother's grandfather and grandmother Alexander arrived in 1832, went to the Marquesas and then came back and moved to Kauai where my grandfather Alexander was born at Waioli at Hanalei. I always have been very proud of the fact that my grandfather Alexander was born in a grass house, before his father built the mission house at Hanalei, which the Wilcoxes took over later and which is still in existence.

My father's grandfather came here from Australia. His father was asked if he would head all of the missions of the South Pacific--he was an Englishman--and he said, "All right. I will take the position if I can take all of my family with me." Well, he had ten children and some of them were already married, so they all went down to Australia, where he had a Methodist Mission, I believe, for the South Pacific. And later on, my great grandfather started a merchandise business in Tasmania, I believe, and for his health, he decided he would move to a better climate so he came up to the I think he was headed for Portland or Oregon and he stopped here on the way and he liked it here, so he left his son, who was my grandfather, and then

went on up and came back and was set, for his family had started a general merchandise store [J. T. Waterhouse and Company] here in Honolulu. Had quite a few stores.

My great grandfather was very fond of animals but he wanted to turn this to his benefit so he brought in a camel and he put it in the back yard of the store and if anybody bought so much merchandise, they were allowed to see the camel. Then he also had some tokens which had a beehive on one side and a beaver on the other which he gave and now these tokens are very valuable. They're about \$300 a piece. So those are just tokens.

He used to make trips every year to England to buy merchandise and one night he had a dream of a carpet--a design on a carpet--so when he went to England, he had that made and he brought them back and sold them as "Waterhouse Dream Carpets" and they sold like hotcakes. He also brought this lokelani [rose] pattern here--in china--and his friends there said, "Oh, what's the good of bringing that cheap china to the Islands?" He said, "I think it 'ould go." And it did. It's still very popular, what's left of it. He was very much of a John Bull and a very typical English --I wouldn't know if you'd call him gentleman, but an Englishman; typical Englishman.

One time, when he thought the taxes were getting too high, he wrapped himself in English rags--so the story goes --and refused to pay his taxes. And so then he went away, back to England, and moved back to England himself but his family were left here. He went back to England and he rented an estate somewhere in England and everything was going fine until the fox hunting season arrived and then they drove the hounds over his grounds and he was so furious he sold everything and came back to the Islands.

He told my grandfather that he had just picked out the right girl for him to marry, who was a daughter of one of my great grandfather's schoolmates who was in a pottery business in Burslem, England, I guess. I think it was Burslem but I'm not sure. And so, when my grandfather went on to England on a buying trip, he stayed away from the Pinder family because he didn't want to marry this girl that his father had picked out for him; but when he went there towards the end of his visit, he fell in love with the very girl that his father had picked out for him and he married her and brought her back as a bride to the Hawaiian Islands. The company that her family had started was called Pinder Bourne and later it became Royal Dalton. [John T. Waterhouse II married Elizabeth Bourne Pinder.]

Another story about my great grandfather was when he went across the United States on a trip back to England, he noticed that Chicago was a very booming town and Cedar Rapids was a very booming town. He wanted to buy some property in one of the towns and he considered buying some

property on Michigan Boulevard in Chicago but he couldn't decide which town he should invest in, so he tossed a coin and it came out Cedar Rapids. So for a long time the family still had land in Cedar Rapids. If the coin had turned to the other side, we would have had land on Michigan Boulevard in Chicago which would have been much more valuable.

My Alexander side of my family, my grandfather Alexander borrowed money from--my gracious goodness, whose the one that started [C.] Brewer & Company?

A: Hunnewell. James Hunnewell [in 1826].

W: I think it might have been Mr. Hunnewell. He went and worked his way across, as a sailor, to the mainland and then across the continent and went to Williams College. Then he came back to the Islands and married my grandmother and was given a job as a schoolteacher at Lahainaluna, [a high school opened in 1831 and the oldest school west of the Rocky Mountains]. He decided that he would give the Hawaiian boys some better occupation than just learning from the books, so he started them growing some sugar cane. They grew such beautiful cane that Mr. Lewis offered him the job of manager of Waihee Plantation on Maui. And he said he didn't want to spend all his life teaching the Hawaiian boys to say "potato" instead of "pokeko" and so he went and became manager of Waihee Plantation on Maui. He brought in his younger friend, who was studying for the ministry--Mr. Henry P. Baldwin. He said in one of his letters, he thought Henry would make a fine businessman but he didn't know how much of a preacher he would become, so he persuaded him to come over and take the job as head luna.

And then my grandfather was offered the position as manager of Haiku Plantation, which is a larger plantation, and he took the position [1870-83] and Henry Baldwin went with him and later on they bought an interest in the plantation and much later [in 1874] started the firm of Alexander and Baldwin.

But my grandfather had a tremendous amount of energy and he used to have a difficult time at the plantation during the drought, so he was a great tramper--boys in those days walked all over the islands--and he knew that there was a lot of water on the East Maui watershed. So he got permission from his directors to have his brother, who was a surveyor, survey the land over there for a ditch and he got them to put up the money to build a ditch and after the water got there--when the water got to Haiku--then he took a trip and Henry Baldwin finished it.

Henry Baldwin did a tremendous feat by getting the Hawaiians to go down to put the siphon down into Maliko Gulch and up on the other side, because they wouldn't go

and Henry Baldwin went himself with one arm and they followed him. The Hawaiians wouldn't believe that the water would come up again. They said water only goes down and it won't come up again. But it did and they got the [seventeen-mile long Hamakua] Ditch finished before the deadline [in 1878]. If they hadn't had it finished, they would have lost the license, I believe, and it would have gone to Mr. [Claus] Spreckles, [who had obtained water rights, subject to prior rights].

And then my grandfather moved to the mainland with his family in 1883 and Mr. Baldwin took over the Hawaiian side of the firm. And then later on, my grandfather was most anxious to start an agency like Castle & Cooke and Brewer & Company and he wanted to get a position for his son, Wallace M. Alexander, so he told Henry Baldwin it would be a very good thing to start an agency. Henry Baldwin wasn't so keen but he finally gave in and they started it [in 1892], much to the disgust of Castle & Cooke. Joseph [Platt] Cooke was my grandmother's brother and he was the head of Castle & Cooke and, after he died, then Mr. [Joseph Ballard] Atherton, who married my grandmother's sister [Juliette Montague Cooke], was the head of Castle & Cooke. And Mr. Atherton said, "Why, those boys will be broken in no time," and was very much against it because they took away the agency of the plantation from them. And that was the start of Alexander and Baldwin. And then later on, my uncle [Wallace M. Alexander] and Joe Cooke, his first cousin, were the two that started with my grandfather and Henry P. Baldwin.

A: What year was that?

W: Well, it was--I really don't know what year it was. [Chartered June 3, 1900] I'd have to look in the A & B book to find out when that first started. And then it was incorporated in 1900. But all that information is in the Alexander & Baldwin book that Dean--Arthur Dean-- wrote.

And then my grandfather was instrumental in getting the group together to start the refinery at Crockett, [California] because, when they sold their sugar on the mainland, every time they thought the boats would arrive, they'd throw some more sugar on the market and the price would go down and they wouldn't get the best price for their sugar.

And one time, Claus Spreckles wanted to get their plantation, Haiku and Paia, and was negotiating with them and someone said, "Beware of Claus Spreckles; he always wants the lion's share." And it didn't go through. And then years later, the Spreckles brothers were manipulating in the market for Hawaiian Commercial & Sugar Company and they would send out reports that they were going to have a wonderful crop and every thing was fine and the stock would

go way up and they would sell out most of the shares. And then they would start a rumor that things were very poor in the Islands and everything went way down and then everybody would lose their stock and the Spreckles would take it over.

And so Mr. Castle--Mr. James [B.] Castle--went to my cousin, Joe Cooke, and told him that he could--thought he could--get control of Hawaiian Commercial & Sugar Company for A & B. And they said, "Well, go ahead, and if you do, we'll give you one-quarter interest in A & B." And so, James Castle was working through a friend of his, who was a broker named Politz in San Francisco, and Politz got almost control but he couldn't quite get control of the stock. He knew that Spreckles hated him and so he went to a banker that he knew was very friendly with Spreckles and said, "If Hawaiian Commercial goes down much further, I'll be broke." And the banker, of course, ran and told Spreckles and Spreckles threw a lot more stock on the market and Politz bought it up. They went to Spreckles, asked if they could meet him, and he said "yes". He called them into his office and they said, "We want you to call a meeting of the Hawaiian Commercial & Sugar Company stockholders." He said, "What do you mean?" They said, "We have just purchased control of the company." With that, Spreckles leaned back, pulled open his drawer, and said, "Gentlemen, have a cigar." And that's how they got control and Mr. Castle got one-quarter interest in A & B--Alexander & Baldwin. But my uncle told me that story and I think it's right. Authentic.

A: Your uncle would be . . . ?

W: Wallace M. Alexander. Now I think I'm about talked out. See if I can think of some other things.

A: Well, take your time. Take your time and don't worry about the pauses.

W: I was telling Mr. Shipman that--he said he could think of more things to tell you and I said, "Well, write them down." He has a fund, a tremendous fund of them. He has a wonderful memory.

A: Yes. You know, you didn't mention your brothers' names.

W: Brothers and sisters. I have one sister named Martha W. Hurd. We call her Patty. And she's married to Joubert B. Hurd. They live in Piedmont, California. [Her full name is Martha Montague Waterhouse Hurd; Punahou 1921, Wellesley B.A. 1925.]

W: I have two brothers.

A: Does Martha W. Hurd have any children?

W: One child, Barbara. Barbara Mellick Hurd. Then my two brothers; the older one is Richard Starr Waterhouse. He's not married but has two children.

A: That sounds unusual. Or not unusual, no. He's divorced, I understand.

W: Yes, and his wife [Alice Clay Stevenson Waterhouse] is dead. His last wife is dead. His oldest daughter, Cherry Anne Waterhouse, married Lindy Sutherland. Lindy's name is Robert S.--I guess Robert Shingle Sutherland. [The Punahou Directory lists him as Robert Seymour Sutherland; Robert Seymour Trotter]. And she has three children: Clay; two adopted children, Kurt and Carey Lee.

But then, his younger daughter, Dicksie Lee Sandifer, married and lives in Virginia. Her husband is [Clarence] Weston Sandifer. Weston Something Sandifer.

A: C. Weston Sandifer Jr.

W: C. Weston Sandifer Jr. is correct. And she has one child named Alexander Sandifer.

Then my brother, Alec--Alexander Cooke Waterhouse--first married Alwine [Ann] Spillner and they had three children: Alexander Cooke Waterhouse Jr.; Sue Anna Waterhouse; and John Carl Waterhouse, named after both of his grandparents.

Sandy has two children: one named after him and the other is a girl [Renee]. . . . Should remember the names of all these children. And I don't even know Sue Anna's son. She has a son. Lance is his middle name. Do you know Sue Anna's husband's name?

A: I'm sorry, no, I don't. I might be able to find it . . .

W: [Gary L.] Wells. And I can't think offhand of his first name, although I know it very well. Renee is the name of Sandy's daughter--Renee Waterhouse. Now, do you have some more things that I've left out?

A: Yes. Have you told all the anecdotes that you can recall about your grandparents and your great grandfather and . . . ?

W: At the moment.

A: All right. Let's get to you, then, and what your reminis-

- cences might be of, say, Punahou. Do you have any . . . ?
- W: I don't have, no.
- A: . . . any memories of Punahou, of the teachers or students, any outstanding . . .
- W: No, I don't.
- A: Now I'm going back again. I just realized--I want to be sure. Your sister is Martha. Your brother is Richard. And Alexander. I have the full names. And then you. And you never married.
- W: No.
- A: Okay. Now, no memories of Punahou at all? You have no memories of Punahou or of any . . .
- W: Nothing special of Punahou but it was a different day in those days.
- A: Well, surely. Well, then, I'd like to ask you what your avocations might be.
- W: Well, my main interest is my ranch, at the present time.
- A: Which ranch is this?
- W: Kipukai Ranch. [Also spelled Kipu Kai]
- A: Oh, you are still the owner of that?
- W: Yes.
- A: I was going to ask you about that because I knew that you were owner-operator of that ranch at one time, according to the information I have. And this is on Kauai?
- W: Yes.
- A: What year was that, that you were owner?
- W: I took it over in 1948. January 1st. It belonged to the sons of Mary Waterhouse and William Hyde Rice. Their sons, who were Arthur Rice, Willie [William] Rice, Charlie [Charles] Rice, Philip Rice, Harold Rice. Originally, Kipukai used to belong to Princess Ruth. It came down through the royal family to Princess Ruth.
- And the story I heard was that at the time--I heard it from Charlie Rice--there was a great rivalry when King

Kalakaua became king. There was quite a rivalry between the Kamehamehas and the Kalakaua branch and Kalakaua . . .

END OF SIDE 1/1ST TAPE

Kalakaua was planning to build Iolani Palace and Ruth wanted to build a bigger house than Iolani Palace for herself, because she was a Kamehameha. So she went to my great-uncle, Willie Rice, and said, "I will sell you the lands of Kipu and Haiku. I would like to sell them to you so that I can build this house." And he said, "I would very much love to buy those lands BUT I don't have the money." She said, "Go to [Charles R.] Charlie Bishop. He has plenty of money." So he and George Wilcox went to Charlie Bishop and borrowed the money and bought Haiku and Kipu. That was 1878.

After they had purchased the land, they divided and George Wilcox took the lands of Haiku; and William Hyde Rice took the lands of Kipu, which was on the other side of the Hulaia River. And after that, whenever Princess Ruth was giving a big luau, she'd send up for fish and for pigs and for cattle for her luau, and they were obliged to supply them, although she no longer had any interest in the land.

And then, there was also some rivalry between the Rices and the Wilcoxes, although they were the best of friends and [Anna Charlotte] Daisy Rice married Ralph [Lyman] Wilcox, so there was intermarriage between the families. There was still rivalry. And the story I heard was that George Wilcox wanted to get a part of Kipukai for a summer home and Willie Rice was afraid he would give in to him, so he sold lands at Kipukai to his mother, [Mary Sophia Hyde Rice] --that's Charlie Rice's grandmother--and she left it to her five grandsons--William Hyde Rice's sons--and I bought it from them. And Willie Rice had died [in 1924] and left his share to his five children, so I had to buy all the shares and so in that way, acquired it. And so, now I own the whole place.

A: But you also operated it and this was You became owner January 1--that's quite a way to start a year--1948; and then you were the operator of it.

W: Yes, then I bought cattle and started to develop it. I developed it by developing and finding water and fencing it. When I first started, you had to go over on horseback because there was an old Hawaiian trail but no road into it. So I finally decided to build a road and I have a jeep-road so you can get into it by car but you have to have a jeep, so it's still not spoiled from that standpoint. I bought an LCM before I had the road and would bring my supplies in by LCM.

A: What is an LCM?

W: Landing craft medium. It's a boat that's used in the navy and it has a flat front and it comes to the beach and puts it down and then you take off your . . . [supplies].

A: What aspect of ranching appeals to you most?

W: The whole business. I'm very interested in developing, improving my cattle, and developing my land with grasses and clearing them and fencing them. Developing something that is growing.

A: When you speak of, say, that you were the owner-operator, does that mean you were there and living on the ranch and everything?

W: When I was still working at A & B, I would only be able to go weekends. And now I try to spend more time there.

A: What is your present title?

W: I'm just a director of A & B, that's all, and the Matson Navigation Company, which is part of A & B.

A: Yes. Have you always been interested, as far as you can remember, in business? Was this always just a natural . . . ?

W: I started out in A & B after I got back from college.

A: That was what you prepared yourself for.

W: That was what I wanted to be. Then it was only later that I got interested in ranching. I used to go and visit Hartwell Carter up at Parker Ranch. He was manager of Parker Ranch at that time and he got me interested in ranching. But I think all island boys are interested in ranching.

You see, my grandfather Alexander felt that my mother should have a place that was cooler weather, since she was living in Honolulu. And so he bought a place up on Tantalus for my mother and father and gave it to them. In those days, he had the carriage road extended from the top to our place and it would take several hours to go by carriage but there was a road that went down the trail, that came down to Makiki, and we lived at Kewalo Street there. And so we would have to ride horseback up and Father would come down to work on horseback and then change his clothes and come down to the office and then come back at night. And so we all had to start riding. Since we were babies we were carried up on horses and were able to ride. There were

quite a family of us, you see. There were seven living at one time, and so it was quite a trek, getting us all up there. When we went up there, we stayed up there, we didn't come down. My father's the only one that came down. We'd stay up there and spend--well, you'd never know. Mrs. Frear had a place up there; and the Wilders. Virginia Frear became [Mrs. Urban E.] Wild later on. Kinau, Jimmy Wilder. We all had rather wild times up there in the old days.

A: All right, now, would you like to tell a little bit about that?

W: Well, I've told you about all of it. That's about all. We were just the neighborhood children and just had a lot of fun together, ti leaf sliding and everything else. And we used to go every Sunday with my father; go land shell hunting. Start up in the morning, come back in time for lunch. Every Sunday we would go different places, so we got to know all the places around there. And then also, we kept a cow at Kewalo Street--couple of cows--for milk, and we'd take them up Tantalus when we moved up Tantalus. And so now I have my own cows for my cream and milk at the ranch.

A: That's very interesting.

W: And then, as I can remember too, Arthur Rice was playing polo and we'd ride his horses from the polo club over the Pali to Kailua after the season. I can remember it was so windy on the Pali, you'd think you would be blown off your horse. But in those days it took a long time to go over to there, even in an automobile, because it was a very bad road and it took hours to get over to Kailua area.

(He receives a telephone call, evidently an invitation to dinner at one of three restaurants of his choice and he chooses The Broiler)

Well, as far as I'm concerned, of course, I'd rather go to The Broiler. Now if the treat was to go up to the others, I'd go up to the others.

A: You're a steak man then. Steak and potatoes.

W: Yes, I'm a cattle man.

A: Of course. You know, I think it is in Jared Smith's account --it's just a booklet about the Big Five. In this he mentions that John Waterhouse, who would have been your father, I believe . . .

W: Yes.

- A: . . . started as a traveling salesman [for J.T. Waterhouse and Company.] and then he left the road and decided to work with Alexander & Baldwin. And there was some kind of merger going to take place between Alexander & Baldwin [and Hawaiian Trust Company] and . . .
- W: Some insurance business?
- A: Yes.
- W: Bishop Insurance?
- A: Uh huh. And they were going to hire your father at \$125 a month but--who was it?--somebody demurred and decided that --it was Carter, George R. Carter, who was the governor at the time you were born. He was of the trust company and he demurred, "saying that was entirely too much to pay any man." So that's when your father went to work for A & B then. This is what he . . .
- W: Well, I thought he went--I didn't know that. I thought that he--Bishop Insurance went--or maybe A & B decided they wanted to start an insurance business. That's the reason. [After John Waterhouse gave up saleswork, he became an insurance clerk at Bishop Bank and when the merger was being considered he was to be given management of it at a monthly salary of \$125. Carter then demurred and Waterhouse went to work for Alexander and Baldwin.]
- A: That might be. That might be it. But in any case, I wondered if you'd ever heard that story about him.
- W: No, I hadn't. No. No.
- A: Oh, well you should see this. Have you ever seen this booklet [The Big 5--A Brief History of Hawaii's Largest Firms, by Jared G. Smith]?
- W: No, I haven't.
- A: Haven't you? You would find it quite interesting.
- W: Um hum. I'll have to get it from the Advertiser if it's still being printed.
- A: Jared Smith.
- W: I knew him very well, Jared Smith.
- A: Now your first job was with Alexander & Baldwin.

W: Yes.

A: And in what department were you?

W: I was in the stock transfer department.

A: And that would have been in what year that you began?

W: 1930.

A: I wonder what you consider your greatest achievement in the business world or what you would consider, so far, your greatest achievement.

W: Well, I think my greatest achievement is that not so long ago I'm a director--I'm not a director but a trustee of the Bernice P. Bishop Museum. The seven trustees--five are trustees for the Bishop Estate and two outside trustees. I think it was after [James H.] Shoemaker had resigned, before [John] Bellinger was appointed, but I got after the Board of Trustees and got them to recommend to the Bishop Estate that they have a survey made of all the lands in the Bishop Estate--archaeological survey--so they would know what they had on those lands and what of value and what should be preserved and trustees with the estate would be in a position to know what should be reserved and what needn't be preserved. I had a terrible time getting them to move on it and finally I got the museum trustees to approve of it, because I was on the outside one, and got them to get the Bishop Estate to make a move and they had a meeting and they hired the museum--Bernice P. Bishop Museum--to make a survey of all their lands. I think that's my greatest achievement. It's something that I shouldn't have had to do because it was self-evident and it was something that the Bishop Estate trustees should have done long ago, but

A: But you got them going on it.

W: I finally got them to sign a contract with the museum to survey all their lands, which is something that is very important. I think it's the most important thing that I have accomplished in my [life].

A: Very good. I notice that, maybe as an outgrowth of this--who knows?--the hotels now, or developers, are beginning to incorporate the archaeological [findings on the sites].

W: Yes, it's a great asset to the hotel.

A: 'Course it is; it's right there, then.

W: Yes.

A: People don't have to go, as we always used to hike so great a distance to see the lava tubes--the Thurston lava tubes--for instance.

W: Um hum. Yes.

A: When you have it right there. So I think this is maybe part . . .

W: But I was disappointed that when they had this trouble in Kona that the Bishop Estate didn't take more advantage of this, having already decided to do this and having it under-way. They should publicize the matter so that it would be a great asset to the estate for people to know that the Bishop Estate is interested enough to get the museum to make a survey so that they will know what they have. I told the trustees, I said, "You don't have to preserve everything, but if you know what you have, you'll know what you should be preserving and what isn't necessary, because you have many examples of it. And it would be of great value to you also because the developers can capitalize on some of the things that you don't know exist." A great many of the things were destroyed prior to that time and would have been destroyed if we hadn't.

A: Yes, and then they're lost forever.

W: Yes.

A: Well, that was certainly a very great achievement and accomplishment.

W: And I'm disappointed that the Bishop Estate hasn't taken more advantage of it, public relations-wise. Bellinger thought that it should take full advantage of it, but.

A: John Bellinger of the First Hawaiian [Bank].

W: Yes. He's a trustee for the museum also.

A: Well, that would seem to me to be also, then, what you might call your greatest contribution to the community?

W: Yes, I would say so.

A: All right. There are some questions I have that relate quite a bit to A & B in general. Maybe this is too general, but if it strikes you as something you can answer, then you can answer; if you can't, then don't. What legislation has had the most harmful and, on the contrary, the most effica-

cious effect on the management of A & B during this century?

W: That would be a hard question to answer. I would have to think of it.

A: Yes. Sometimes one thing will spring to mind, you know.

W: Yes. But I think that we're getting into a place where people are getting too ecology-conscious and they don't realize where their bread and butter is coming from. I'm all for preserving, if anybody is, but I don't think you want to go whole sports and try to do everything and I think I've tried to point out to them that if they try to take too much, they're going to just get left and get nothing. People get hipped on the subject and then they . . .

A: Yes, I noticed that there was some article just the other day about this; this HSPA [Hawaiian Sugar Planters Association] article [in the Star-Bulletin, 9/13/71: "U.S. Agency Wants Sugar Mills Sued" and "HSPA Calls Action Not Necessary"].

W: Yes, suing them. They say that's just to get them to be busy, but I don't know. And as for the smoke caused by growing sugar--they have to burn the cane--that is a minor detail. The cars and everything cause a lot of [pollution] After all, we depend on sugar for the tremendous amount of money coming into the state, and if you're going to try to harass the sugar companies, they have enough to do as it is.

A: Yes, and of course the president recently in his talk and in his action is encouraging people to buy more cars, which are polluting, are great polluters; the worst.

W: Yes. Madam Pele herself is a great polluter. People overlook that. Why, every time the volcano acts up, we have a terrible smog, which can't be helped. And a hundred years of cane people burning cane wouldn't create as much.

A: So that, I see what your answer--you have answered it then, actually. Legislation involved with ecology--any ecological legislation--is going to have a harmful effect.

W: It can be if it goes too far.

A: How about the most efficacious? What legislation has been the most efficacious to the company?

W: Well, I wouldn't be able to answer that at the moment.

A: All right. Could you answer this? What basic philosophy

has governed the decision-making of A & B executives during the last century?

W: I hope it's been a profit to the stockholders.

A: You hope it's been.

W: Yes. I think that Would you read the question again?

A: What basic philosophy has governed decision-making of A & B executives during the last century? And I add on to that: and how has this changed, this basic philosophy upon which decisions are made?

W: I don't know that it has changed much. That's what we're in business for is to make a profit for the stockholders.

A: What do you think is Hawaii's greatest need or major problem today? I think you've almost partly answered it [the ecological problem], but what do you think is Hawaii's greatest need today as compared with its greatest need at the turn of the century?

W: Well, I don't remember the turn of the century. I think it's very different from today.

A: Or when you started in business? Hawaii's greatest need today as compared with its greatest need at the time you started in business, which would have been 1930.

W: I wouldn't be able to answer that, especially because I don't know.

A: Well, I think in terms of labor, that there have been times in the past when the labor supply was in shortage. There was a shortage of field workers.

W: Um hum.

A: And this was a problem. Now, it would seem that the labor supply is in abundance, which is another problem [of overpopulation and unemployment].

Now let's see. Well, I'll ask it: Stanford B. Dole had his legal opinions. What are your economic opinions? Is that too general a question?

W: Yes. I don't know what you mean. Elucidate.

A: All right. For instance, on the labor contract system, he was opposed to it in principle. In other words, in terms of free and equal rights, he was opposed to it. Now I know

that there was no contract labor [bringing in immigrants under a three year contract to work in the cane and pine-apple fields] at the time that you began working for A & B.

W: Well, there was contract with the unions. What of it? What's the difference?

A: No, there's not much difference, is there? [Except that unions represent laborers and contract laborers had no representation nor freedom of choice]

W: No. Well, I think they had to have contract labor in those days so that they'd fulfill their contract and it benefitted them tremendously. People overlook the fact that these people that came here were getting virtually nothing when they came here and maybe, according to our present day criteria, they were getting very little but the value of money was entirely different in the olden days when those laborers came and they really had to--were far better off than they would have been if they'd been left at home. There's a great deal of supposed feeling that their parents, grandparents, weren't treated properly when they came here and had a hard time, were only paid a little money and so forth, but look at my father the way he started--\$125 was too much for him. Money went a great deal further then than it does now; and the laborers that came, maybe they were treated badly in certain places, surely, but generally they were not. They were getting--they were much better off than they had been at home. That does not pertain to that question, maybe, but . . .

A: Yes, it does. It does definitely. Now this sounds like a ridiculous question, perhaps, but do you think, as a businessman, that supply and demand will ever be replaced as a basic economic principle?

W: No. (Decisive and emphatic)

A: It can't be? There's no possible replacement?

W: No. What else could it possibly be?

A: I don't know. I don't know. It just seems to me that economic principles should become archaic just like anything else might.

W: Yes, but that's a fact of life, supply and demand. You have a lot of certain things, you're not going to pay very much for them; if they're short, and you want them, you'll pay more. [Except when prices are stabilized or frozen and when supplies are rationed] Demand. Supply.

- A: Yeh. All right. Now, I don't know, this is pretty general, perhaps. What has been the most outstanding event in the history of A & B?
- W: I guess [the Hawaiian Islands] becoming a territory.
- A: Oh, really? And how did that . . .
- W: Because A & B was almost all sugar at that time and our sugar got in duty-free to the United States so that made the plantations. If they hadn't--'course when McKinley came in they had a very bad time, but after that . . . I think that annexation, from a business point of view, had a tremendous boost to all of the islands. Was a tremendous boost.
- A: To business, especially.
- W: And maybe the treaty was a help too, but when the . . .
- A: Reciprocity Treaty.
- W: Reciprocity Treaty. But then you weren't sure. When you became a part of the United States, you became sure.
- A: Yes, because the other was a temporary measure in any case, for seven years.
- W: Yes, but it had changed. Yes. And even afterwards we had to fight. They didn't consider us a part of the United States, at times. They'd had the Sugar Act and we'd be cut out. Until we became a state, it became different too, but that was the [most outstanding event].
- A: All right. What is the major thrust of A & B today? What do you think the trend is or is it possible to determine this? Or what is the major thrust of A & B today?
- W: Well, we're in the shipping business, unfortunately.
- A: Yes, during the dock strike.
- W: Yeah. And (long pause) . . .
- A: Is that--do you think that's the--the shipping is becoming a . . .
- W: Well, the shipping and the sugar is . . . We would like to get another link (it sounds like "lake") and something that is not connected with the unions that are running the state now, because you're dependent entirely on the unions. Now we have one strike, then we have another strike, and

then we've got the sugar negotiations and we're very dependent on the present leadership of the unions. The whole state is, too, when we are.

A: How has A & B planned for more leisure time if such should become a way of life in the future?

W: Well, you'd have to ask the management. I'm not the manager, I'm only a director.

A: Well, I ask you these in case you have an opinion or some knowledge of them.

W: Yes. They're getting more leisure time now than ever.

A: Well, this is what I mean.

W: They're off on Saturdays.

A: But, in what way--yes, is the company . . .

W: And they're holidays. What?

A: I just wonder if the company itself is planning in terms of the business part of it; is planning in terms of future services or in terms of more leisure time for everyone, not just the A & B employees, but in terms of everybody having more leisure time. Usually a business--well, maybe a business would start looking into resort-type things or going into more recreational type things.

W: Well, it's going--their development on Maui, they're considering those things.

A: That development on Maui is . . .

W: Wailea. [A 1,500 acre resort community on Maui]

A: Wailea. Oh, yes, I saw the sign (on the fourth floor of the Alexander & Baldwin Building).

W: Um hum.

A: All right. Now I think I've asked you all of the--just about all of the Do you have any more--any other anecdotes--that you can remember? Any anecdotes, maybe about any experiences you and Herbert Shipment have had or anything together?

W: No, I don't have any. Herbert has such a fund of anecdotes that they come up one right after another and if it--then

something suggests. He's a little bit older than I am, but.

A: Yes. Well, you're good friends . . .

END OF SIDE 2/1ST TAPE

BEGINNING OF SIDE 1/2ND TAPE

W: I've always been very glad that I've lived when I have because I think that I have seen the early days, when transportation wasn't as good as it is today and there weren't so many people in the Islands; and I've lived to today, when you can go to Kauai in a few minutes. When I first went, I went on a boat. You had to go at night, at nine o'clock; you'd get there about two o'clock in the morning, and then you'd get off into a little row boat and go ashore.

I remember the first time I went to Kauai and I got there and my father and my grandmother were with me and my aunt, Mrs. Charles Wilcox--her husband met us at the dock. And I had never been to another island and we drove in the dark to their house and had coffee and then I went to bed and the first thing I heard in the early morning was the mill whistle blowing. And then, as it became light, I was able to look around and see what Kauai looked like, and never dreaming that I would be living there.

And then we went up to all the other islands. You had to go on a small boat to shore, those days, even Hilo. Then they took a little time to get places and it was very interesting. I remember when we used to go over, later, when we used to drive over Sunday afternoon to Kailua, we'd drive over and then undress behind the sand dunes and go swimming. And Arthur Rice had about the only house in Kailua, at that time, and we used to go visit with him and it was a wonderful life.

My main objection to the present day is that there're too many people and they don't have any idea of--that property owners have any rights. They just walk through your place. I have a place down at Makaha and it's very open because I didn't have any neighbors within two miles originally when I first had it. When I first got it, it didn't have any water or electricity. Now I have water and electricity and we've got lots of neighbors. And they walk right through and look into the house. You tell them, "I'm sorry but this is private property," and they get very mad at you. They think that they own it.

A: Oh yes, for the record, I'd like to ask you--whether or not you wish to answer, that's up to you--but I'd like to ask you what your opinion is of the present--since you are a Bishop Museum . . . (trustee)

W: Yes, not estate. Don't confuse me with the estate.

A: No, but I wanted to ask you what you think of this recent situation--Bishop Estate situation--where the Hawaiians have--well, the uprising of the Hawaiians against the appointment of [Matsuo] Takabuki [rather than a Hawaiian as a trustee]. I just wonder what your opinion is.

W: Well, originally, I felt that it wasn't--I wasn't--I was disappointed in the appointment. I had known Takabuki, but I hadn't known him as well. And I felt that it should be a man that had a greater interest in what the Bishop Estate is supposed to be doing. But I've changed my opinion since sitting on the board with him and think he's going to be a great help to the Bishop Estate.

I personally think that there're certain Hawaiians that are--make a policy of being Hawaiian just for the--because they want to. But I forget the name I call them. And I'm all for the Hawaiians, naturally, I always have been, but Professional Hawaiians, that's what I call them. And I don't think that they're really interested in the Hawaiian people as a whole. I think they just want to use the advantage of being Hawaiian and I don't--I think there's a misunderstanding as to the Will of Bernice Pauahi Bishop.

In the Will--I have a copy of it--she doesn't leave the [Kamehameha] Schools for the part-Hawaiians. It's for the people of Hawaii, the schools. But the Bishop Estate trustees, in years later, made it a rule that you had to have Hawaiian blood to attend the school, which is a good idea, I think, but Bernice Pauahi didn't. And when she appointed her trustees, she didn't appoint any Hawaiians as trustees. She wanted the best people she could find in the state and she got the best people; the most--acutest businessmen and everything. And so I think there's a lot of misunderstanding. I once told [the Reverend Abraham] Akaka and Mrs. Akaka that she had--that was the case, that it was not a school for Hawaiians. And they said, "But it does say for people of aboriginal blood." I said, "That's another part [of the Will]. She left--in addition to what she left for the schools, the trustees were to help any needy families, especially those of aboriginal blood."

I can show you, if you'll turn that off (the recorder). I'll show you the Will and see what she says.

(I turn off the recorder as requested and later turn it back on with his okay)

A: Would you repeat what you just said?

W: I forget what I did say.

A: You said that the bulk of her . . .

W: Oh yes. It's an interesting fact that the bulk of the Bishop Estate came from Princess Ruth and Bernice Pauahi didn't live very long after she inherited the land from Princess Ruth. She only lived about a year, I guess. [She died in 1884.] In that time, she had made her Will. And then, there were several instances where the lands of Princess Ruth's might not have gone to Bernice Pauahi Bishop. First of all, Princess Ruth adopted Leleiohoku, who was the brother of Kalakaua, as her son and he would have inherited her fortune had he lived, but he died [in 1877]. And when Princess Ruth died [in 1883] and left her estate to Bernice Pauahi Bishop, Kalakaua went to court, said that he should have--and his family should have--received lands because his brother had been adopted by Princess Ruth, and there was this case and Bernice Bishop won.

And then also, if you've read Claus Spreckels . . .

A: I've read about him.

W: Well, there's a book about Claus Spreckels and I forget who wrote it. It's a very good book. He paid \$10,000 for all of Princess Ruth's right and [one-half] interest in the [Crown] land in the kingdom. And then he wanted to get the Hawaiian Commercial lands, [24,000 acres of leased government land] to start Hawaiian Commercial Sugar Company, and he got the legislature to give him a deed to those lands in exchange for his \$10,000, which would have conveyed to him all of the [Crown] lands of Princess Ruth. So if he had kept his--if she had sold all her lands to him, then there would have been no--Bernice Pauahi Bishop wouldn't have inherited them. And then if Leleiohoku had lived, she wouldn't have inherited them. And so

A: I think Gavan Dawes mentions this about Spreckles also [in Shoal of Time, pp. 226-231].

W: Um hum. I read it in Spreckels book. (Now he reads from a book containing Bernice Pauahi Bishop's Will)

"Thirteenth: I give, devise, and bequeath all of the rest, residue, and remainder of my estate, real and personal, where ever situated, unto the trustees below named, their heirs and assigns forever to hold upon the following trust, namely: To erect and maintain in the Hawaiian Islands two schools, each for boarding and day scholars, one for boys and one for girls, to be known as and called the Kamehameha Schools. I direct my trustees to expend such amount as they may deem best, not to exceed over one-half of the fund which may come into

their hands, in the purchase of suitable premises for the erection of school buildings and in furnishing the same with the necessary and appropriate fixtures, furniture, and apparatus. I direct my trustees to invest the remainder of my estate in such manner as they think best and to expend the annual income in the maintenance of said schools, meaning thereby, the salaries of teachers, the repairing of buildings, and other incidental expenses; and to devote a portion of each year's income to the support and education of orphans and others in indigent circumstances, giving the preference to Hawaiians of pure or part-aboriginal blood, the proportion in which said annual income is to be divided among the various objects above-mentioned to be determined solely by my said trustees, they to have full discretion."

So there you have it. She didn't specify, but for those that were in indigent circumstances, they were to give the part-Hawaiians the preference.

A: Yes. That's quite clear, isn't it?

W: Yes, and I think that this uprising of these Hawaiians is because they don't understand what the Will said. 'Course the trustees did make it a [policy]--but that was not Bernice Pauahi's decision. Yes, and I think it's unfortunate because it puts the Hawaiians in a different light. I don't see what legal status they have. It's up to the court, Supreme Court, to decide on the trustees. That's my reply to that.

A: Very good. Very good and very interesting. Now I want to be sure that--can you think of anything yourself now that comes to you? (long pause) Oh, what book did you last read?

W: I read a history of Henry VIII--English--and his six wives, after hearing about the T.V. [series]. I haven't seen it, but I was interested in my friends'--Mr. Richard Goodwin and his mother lent me this book, which is very good. It was published many years ago, I forget when, and it goes into too much detail but it's most interesting. Different wives of Henry the Eighth and The History of England is the title. This is just a . . .

A: It's too bad you haven't been seeing the series. I've seen only one.

- W: I've heard the series were terrific.
- A: Excellent.
- W: But I don't see them. I go to Kauai on the weekends and I don't have any T.V. at my place.
- A: I gather, if I am to judge by that one I saw, it was outstanding.
- W: Which one did you see?
- A: A week ago Sunday. I didn't see this last one, but it was a week ago.
- W: What was it about? Do you remember who?
- A: His fifth wife.
- W: His fifth wife. Was that Catherine Howard? Yes, it was. And the sixth was Catherine Parr.
- A: But he is an outstanding actor.
- W: How was the queen, was she good?
- A: Yes. Yes, she was. She was elegant . . .
- W: Strange that Henry was so crazy about her and turned just like that; was turned by his people to turn against her. But that's not supposed to be for the tape.
- A: No, that's fine. It indicates your interests also. Well, I think that unless you have something to . . .
- W: I can't think of anything more.
- A: Any more anecdotes about your family? Family anecdotes about you and your brothers and sister, for instance.
- W: No, if you'll turn it off, I'll tell you another anecdote. (recorder is turned off)
- A: Okay, go ahead. (the recorder is turned on for the next story)
- W: He had a great sense of humor and was quite a rascal.
- A: This was your great-grandfather?
- W: My grandfather Alexander, my mother's father. I never knew

him because he was killed in Africa before I was born, but --he was on a hunting expedition when he was killed. And he used to love to travel and he retired when he was forty-five. He'd made enough money to live comfortably and retired and used to travel a great deal. In those days, people didn't travel very much. And he was going to South America and so he thought he'd learn Spanish. So he got this woman to teach him Spanish lessons and she was evidently a good teacher but he got awfully tired of her, so one day, she was such a pest, he said, "Well, tell her Mr. Alexander has died." So they did and she didn't appear for a long time and he went away and when he came back, one day he opened the door and who should appear but this woman. She almost fainted because she thought he had been dead all these years.

And another one was when the minister came to call on my grandmother and grandfather up on Maui. These are the Samuel Thomas Alexanders--and his wife Mary Ann. And the minister stayed and stayed and my grandfather yawned and yawned and the minister didn't leave, so he said, "I'm going up to bed." He went up to bed and later he heard the door bang and he leaned over the bannister and said--yelled out to his wife--"Has the old rooster left?" And with that, the door banged again and the minister left and never came back.

A: Well, with that, I guess I'd better get my things packed up and go. (Laughing)

W: I think so. That's why I didn't want it recorded.

A: Time to pack up and go. Very well. Now anything else? Are you sure? (I'm packing)

W: No, I can't think of anything else.

A: I wouldn't want to--you know, I leave and then people remember things.

W: Oh, I know, but then . . .

A: This is just part of what usually happens, I guess. (Then he thinks of another story and I turn the recorder back on)

W: This is a story I was told--I don't know if it's true--about my great-grandfather Waterhouse, who was this John Bull and ruled the family with an iron hand and so forth, and he had a very lovely, gentle wife. And she wanted some tile work done in the kitchen, so she got the man to come out and tell her all about the tiles and where they were to be put and so forth. And after she got through talking to him, she said, "I'll have to talk to my husband

about this, but don't pay any attention to what I say." And so, her husband came in and the man began to tell about the tiles and she said, "I don't think I want those tiles." He said, "You shall have them!" And he had the man put the tiles in somewhere.

It may not be a true story, but it's a very good story. She knew how to handle the old tyrant.

A: Yes, it is. She certainly did.

END OF 1ST 1/2 /2ND TAPE

END OF INTERVIEW

Transcribed and edited by Katherine B. Allen

Edited by John T. Waterhouse, 1979

Final typing by Grace Akamatsu

ERRATA:

Biodata; third paragraph: it was Mr. Waterhouse's great-grandfather, not his grandfather, who started J.T. Waterhouse and Company.

Page two; third paragraph: Mr. Waterhouse's great-grandfather "wrapped himself in the English flag," not "in English rags."

Page 24; first full paragraph: Samuel Thomas Alexander's wife was Martha Eliza, called Pattie, not Mary Ann who was his mother.

Subject Index

- 1 Family background and history
 The missionary Cookes and Alexanders
- 2 J. T. Waterhouse's commercial promotions
 J. T. the First's move to England
 J. T. the Second's marriage
- 3 J. T. the First invests in Cedar Rapids
 Samuel T. Alexander, teacher
 Henry P. Baldwin, preacher
 The start of Alexander & Baldwin
 The Hamakua Ditch and Claus Spreckels
- 4 A & B starts an agency, 1892
 Wallace M. Alexander and Joseph P. Cooke
 Crockett Refinery, California
 The Spreckels manipulate the market
- 5 James B. Castle gains an interest in A & B
 Waterhouse genealogy
- 6 Waterhouse genealogy
- 7 Kipukai Ranch
 Story of Kipukai property
 The Rices and the Wilcoxes
- 8 Development of Kipukai Ranch
- 9 Hartwell Carter and Parker Ranch
 The Waterhouses on Tantalus
- 10 The Frears and the Wilders

- 10 Early means of transportation
 Arthur Rice's polo ponies
- 11 John Waterhouse joins A & B
 J. T. the Third joins A & B, 1930
- 12 Archaeological survey suggested
 James H. Shoemaker; John Bellinger
- 13 Legislation effecting business
- 14 Harmful and helpful legislation
- 15 Basis of executive decision-making
- 16 Contract labor and unions
- 17 Effect of annexation on A & B
 Reciprocity Treaty
- 18 Wailea resort community
- 19 Inter-island travel; the Charles Wilcoxes
 Arthur Rice's Kailua home
 Matsuo Takabuki controversy
 Bishop Estate trustees
 Bernice P. Bishop's Will
- 21 Bishop Estate property
 Princess Ruth; Claus Spreckels
 Provisions of Bernice P. Bishop's Will
- 22 J. T. the Third's interests
- 23 Family anecdotes
- 24 Anecdote: the Samuel T. Alexanders
 Anecdote: John Thomas Waterhouse

THE WATUMULL FOUNDATION ORAL HISTORY PROJECT

In May 1971, the Watumull Foundation initiated an Oral History Project.

The project was formally begun on June 24, 1971 when Katherine B. Allen was selected to interview kamaainas and longtime residents of Hawaii in order to preserve their experiences and knowledge. In July, Lynda Mair joined the staff as an interviewer.

During the next seventeen months, eighty-eight persons were interviewed. Most of these taped oral histories were transcribed by November 30, 1972.

Then the project was suspended indefinitely due to the retirement of the foundation's chairman, Ellen Jensen Watumull.

In February 1979, the project was reactivated and Miss Allen was recalled as director and editor.

Three sets of the final transcripts, typed on acid-free Permalife Bond paper, have been deposited respectively in the Archives of Hawaii, the Hamilton Library at the University of Hawaii, and the Cooke Library at Punahou School.